

## **MINUTES**

### **VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING**

**September 30, 2003 - 2:30 P.M.**

**8<sup>th</sup> & Main Building, 3<sup>rd</sup> Floor Conference Room  
Richmond, Virginia**

- I. Voting members present: Andrew Brownstein, The Honorable Jody Wagner, Larry Roach, Esther Corpus, Leon Moore, Hattie Hamlin, and Joe Underwood.  
Others present: Bob Young, Chuck Mills, Seth Ginther (Senior Assistant Attorney General), Scott Parsons, Patty Thorne, Barbara Carter, Anna Mackley Cobb, Mark Heede, Brett Sheffield, Faustine Dye, and Patricia Morris.
- II. Approval of Minutes - On a motion by Larry Roach, seconded by Leon Moore, the minutes of the August 26, 2003 Board of Directors Meeting were unanimously approved. (Hattie Hamlin was not present for the vote.)
- III. Industrial Development Bond Project
  - A. Virginia-Carolina Forest Products, Inc. - Brunswick County - \$7,000,000 IDB issued by VSBFA in 2000. On a motion by Leon Moore, seconded by Hattie Hamlin, the Board unanimously adopted a resolution approving modifications to certain documents related to the repayment of the bond.
- IV. Economic Development Loan Fund Application
  - A. Aseptic P.E.T. Packaging, Inc. - Prince George County - \$1,000,000. Anna Mackley Cobb presented this request to the Board. On a motion by Leon Moore, seconded by Larry Roach, the Board of Directors approved a \$1,000,000 5-year loan through the Economic Development Loan Fund to purchase equipment for a new manufacturing operation. (Jody Wagner abstained from the vote.)
- V. Review and Ratification of Loans Approved and Declined by Staff - Various loan decisions made by staff were reviewed and discussed by the Board of Directors. On a motion by Jody Wagner, seconded by Leon Moore, the loans approved and declined by staff from August 20, 2003 to September 1, 2003 were unanimously ratified.

- VI. Report to the Board on Loan Volume and Fiscal Year Status - Scott Parsons reviewed the monthly loan activity report for Fiscal Year to Date July 2004 showing the status of the VSBFA loan portfolio -- the dollar amount committed, fund availability, and portfolio default rate.
  
- VII. Board Update on New Initiative - Scott Parsons updated the Board on a new program that VSBFA has been asked to administer for the Southside Committee of the Virginia Tobacco Indemnification and Revitalization Commission. Mr. Parsons briefly described how the loan program would function. A proposal on the eligibility requirements for the program has been submitted to the Commission. The Tobacco Commission is scheduled to give final approval of the loan program at its October meeting.
  
- VIII. Discussion on Upcoming General Assembly Session - (Joe Underwood disclosed that he is the legislative aide to Delegate Gary Reese for the 67<sup>th</sup> Fairfax district and recused himself from the discussion.) Scott Parsons reviewed for the Board the status of the available funds remaining to lend to small businesses along with the purpose of the Virginia Small Business Financing Authority and its funding since it was established by the General Assembly. Chairman Brownstein suggested that this General Assembly session would be the best opportunity to approach the Assembly in light of the current budget issues. The Board discussed many possibilities of acquiring additional funding for VSBFA, including government credit enhancement, funding with a moral obligation, value of existing loans to possibly sell them, and using loan portfolio as collateral. After the discussion, it was agreed that the next step would be to approach legislators to gain support for requesting additional funding from the General Assembly. Action items to begin the process were determined.
  
- IX. Adjourn - On a motion by Andy Brownstein, seconded by Leon Moore, the meeting was adjourned.